

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 20120338663-01**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Aurora Capital LLC, Respondent ("Aurora" or the "Firm")
BD No. 37924

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, the Respondent, Aurora Capital LLC, submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against the Respondent alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The Respondent hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Aurora became a FINRA member in May 1995 and employs approximately 27 individuals at four branch offices. It is headquartered in New York, New York.

RELEVANT DISCIPLINARY HISTORY

In December 2009, Aurora entered into an AWC (No. 20080116467-01) through which it consented to findings that, during the period from June 2007 through February 2008, the Firm participated in at least three firm commitment offerings in violation of its Membership Agreement. As a result of its participation in the firm commitment offerings, Aurora conducted a securities business while failing to maintain its minimum net capital requirement on June 14, 2007, and February 12, 2009. This AWC included a censure and a fine of \$10,000.

OVERVIEW

This matter concerns Aurora's conduct of a securities business while net capital deficient on December 22, 2011, and maintenance of inaccurate financial books and records in December 2011 and January 2012.

FACTS AND VIOLATIVE CONDUCT

1. On December 22, 2011, Aurora conducted a securities business while failing to maintain its minimum net capital required by Section 15(c) of the Securities Exchange Act of 1934 ("Exchange Act") and Rule 15c3-1 promulgated thereunder. On that date, Aurora had a regulatory minimum net capital requirement of \$7,730 and actual net capital of (\$16,746), resulting in a net capital deficiency of (\$24,476). The net capital deficiency was due to the Firm's decision to offset commissions payable without sufficient documentation.

By reason of the foregoing, Aurora violated Section 15(c) of the Exchange Act, SEC Rule 15c3-1 promulgated thereunder, and FINRA Rule 2010.

2. Aurora maintained inaccurate financial books and records in late December 2011 and January 2012 as a result of: (i) the Firm's improper offset of commissions payable, as described above; and (ii) the Firm's improper classification of unearned fees as deferred revenue.

By reason of the foregoing, Aurora violated Section 17(a) of the Exchange Act, Rule 17a-3 promulgated thereunder, and FINRA Rules 4511 and 2010.

- B. The Respondent also consents to the imposition of the following sanctions:

- a censure; and
- a monetary fine in the amount of \$10,000.

The Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. The Respondent has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

The Respondent specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against it;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

The Respondent understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the Respondent; and

C. If accepted:

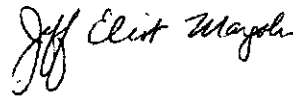
1. this AWC will become part of the Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against it;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about the Respondent's disciplinary record;
3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
4. The Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. The Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the Respondent's: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

D. The Respondent may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the Firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that the Firm has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the Firm to submit it.

12/13/2013

Date (mm/dd/yyyy)



Respondent

Aurora Capital LLC (BD 37924)

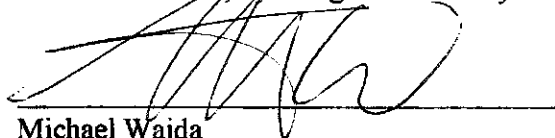
By: Jeff Elliot Margolis, President, Aurora Capital LLC

[Print Name and Title] -----

Accepted by FINRA:

December 30, 2013
Date

Signed on behalf of the
Director of ODA, by delegated authority

A handwritten signature in black ink, appearing to read 'MW', is written over a horizontal line.

Michael Wajda
Principal Regional Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street
New York, NY 10281-1003
Tel: (212) 858-4298
Fax: (202) 721-1357



December 13, 2013

Michael Wajda
Principal Regional Counsel
FINRA Department of Enforcement
One World Financial Center
200 Liberty Street
New York, NY 10281-1003

Re: Acceptance, Waiver and Consent No. 20120338663-01

Dear Mr. Wajda:

Along with our signed Acceptance, Waiver and Consent No. 20120338663-01, we would like to submit the following Corrective Action Statement.

Corrective Action Statement

At the time of learning of any inadequacies of its record keeping, specifically in respect to any rights of offset in respect to commissions payable, the firm's documentation was updated, supplemented and clarified. Such documentation included, but was not limited to supplements or amendments to written agreements between the firm and associated persons to clarify the obligation, method and timing of commissions (and other compensation) payable by the firm to the associated persons. The books and records were corrected as of the date of the original error and on a going-forward basis.

At the time of learning of the requirement to record deferred revenues in a manner different than that originally recorded, by the firm, the firm immediately corrected the recordation as of the date of the original error and on a going-forward basis. This particular matter was single situation specific and did require any further action.

This Corrective Action Statement is submitted by the Respondent. It does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA, or its staff.

We thank you for the opportunity to provide you with a description of the corrective actions taken.

Sincerely,

Jeff Eliot Margolis
President

A handwritten signature in black ink, reading "Jeff Eliot Margolis".

Member FINRA & SIPC

c/o Jeff Eliot Margolis
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New York, NY 10016

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